

## **MEMORANDUM**

**SUBJECT:** Consolidated National Program Guidances for FY 2004 MOAs

**FROM:** Linda M. Combs  
Chief Financial Officer

**TO:** Regional Administrators

The purpose of this memorandum is to provide you with a consolidated package of the final FY 2004 national program guidances for OAR, OPPTS, and OW and a near-final draft of OSWER's guidance in order to facilitate your review of operating-year priorities and support effective follow up with the program Assistant Administrators. For the past few months, your division managers and staff have been involved in reviewing and providing comments to the program offices as they developed their national program guidances. The issuance of this package provides the RAs and AAs with the added benefit of increased transparency of the priorities both within and across program areas, and should support more effective consideration of the priorities as you proceed to negotiate your FY 2004 Memoranda of Agreement (MOAs).

Please note that OECA's program guidance is still undergoing internal review and therefore is not included with this set of guidances. We anticipate that OECA will finalize its guidance over the next two weeks, at which time OCFO will forward it to you. In the meantime, OECA has provided a one-page summary of its program and management priorities, which we have included in these materials.

Consistent with the Managing for Improved Results Steering Group recommendations endorsed last year by the Administrator and Deputy Administrator, the regions and National Program Managers (NPMs) are following a streamlined approach for establishing performance targets that will be captured in the FY 2004 MOAs. NPMs used their FY 2003 work planning guidances as the basis for developing the FY 2004 national program guidances and made some adjustments to reflect minor shifts in priorities or new White House and Congressional requirements. In effect, FY 2004 is a transition year for identifying alternatives to the current MOA process.

My office is now beginning to conduct an in-depth review of the Agency's current MOA process to identify opportunities for fundamental reform that reflect consideration of other efforts underway. These include the completion and implementation of EPA's 2003 Strategic Plan with

its more outcome-based, five-goal structure; development of Regional Plans; and efforts to increase opportunities for regional, state, and tribal input into annual target-setting as part of the Agency's FY 2005 planning and budget process. We will be working closely with regional and program office managers and the states in this effort, which will include the establishment of a work group convened in cooperation with the Environmental Council of the States. As a result, we hope to develop options and recommendations and reach agreement on a more useful process, which is characterized by stronger

involvement by the regions, states, and tribes in planning and priority setting and increased accountability for results.

As we pursue these long-term reforms, it is important to commence or continue joint planning and priority setting with states and to incorporate the results of those deliberations into our current planning, budgeting, and accountability products wherever possible. This is particularly important as many states face budget shortfalls that could impact their FY04 performance. Therefore, if you have not already done so, please consult with your state commissioners or program managers on FY04 performance priorities before negotiating performance commitments with NPMs.

For your convenience in proceeding with negotiations of your FY 2004 MOAs and development of programmatic commitments with the states, I have attached the final FY 2004 national program guidances for OAR, OPPTS, and OW; OSWER's near-final draft; and the interim one-page summary of OECA priorities. The guidances include cover memos from the AAs that provide an overview of national program priorities or areas of emphasis. The package also includes the NPM priorities for the regions which were discussed at the FY 2004 Performance Priorities Meeting held in February.

We will make these materials accessible on OCFO's internet website shortly for use by regional and program office managers as well as states and tribes. Making our national program guidances easily accessible is an important step in responding to the request from state commissioners, in particular, for more transparency and to provide them a fuller understanding of our process.

I would like to express my appreciation to each of you for your continuing support and your efforts to help improve and integrate the Agency's planning and performance processes. If you have any questions, please call me at (202) 564-1151 or David Ziegele at (202) 564-9327.

#### Attachments

cc: Linda Fisher  
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